

House File 2311 - Introduced

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BY BEST

A BILL FOR

1 An Act prohibiting the government of, and persons and entities
2 from, the People's Republic of China from acquiring real
3 property located in the state.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 9I.2, Code 2022, is amended to read as
2 follows:

3 **9I.2 ~~Alien rights~~ Real property — nonresident aliens and**
4 **foreign governments.**

5 1. A nonresident alien, foreign business or foreign
6 government may acquire, by grant, purchase, devise, or descent,
7 real property, except agricultural land or any interest in
8 agricultural land in this state, and may own, hold, devise, or
9 alienate the real property, and shall incur the same duties and
10 liabilities in relation thereto as a citizen and resident of
11 the United States.

12 2. Notwithstanding subsection 1, the government of the
13 People's Republic of China, or the government of a province,
14 region, municipality, or autonomous region of the People's
15 Republic of China, shall not acquire by grant, purchase,
16 devise, or descent any real property located in this state.

17 3. Notwithstanding subsection 1, a corporation incorporated
18 under the laws of the government of the People's Republic of
19 China, or a business entity whether or not incorporated, in
20 which a majority interest is owned directly or indirectly by
21 nonresident aliens from the People's Republic of China, or
22 from a province, region, municipality, or autonomous region of
23 the People's Republic of China, shall not acquire by grant,
24 purchase, devise, or descent any real property located in this
25 state. Legal entities, including but not limited to trusts,
26 holding companies, multiple corporations, and other business
27 arrangements, shall not affect the determination of ownership
28 or control of the foreign business.

29 Sec. 2. Section 9I.5, Code 2022, is amended to read as
30 follows:

31 **9I.5 Land acquired by devise or descent.**

32 1. A nonresident alien, foreign business or foreign
33 government, or an agent, trustee or fiduciary thereof, which
34 acquires agricultural land or an interest in agricultural
35 land, by devise or descent after January 1, 1980, shall divest

1 itself of all right, title and interest in the land within two
2 years from the date of acquiring the land or interest. This
3 section shall not require divestment of agricultural land or an
4 interest in agricultural land, acquired by devise or descent
5 from a nonresident alien, if such land or an interest in such
6 land was acquired by any nonresident alien prior to July 1,
7 1979.

8 2. The government of the People's Republic of China, or the
9 government of a province, region, municipality, or autonomous
10 region of the People's Republic of China, which acquires real
11 property or an interest in real property, by devise or descent
12 on or after July 1, 2022, shall divest itself of all right,
13 title, and interest in the land within two years from the date
14 of acquiring the land or interest.

15 3. A corporation incorporated under the laws of the
16 government of the People's Republic of China, or a business
17 entity whether or not incorporated, in which a majority
18 interest is owned directly or indirectly by nonresident aliens
19 from the People's Republic of China, or from a province,
20 region, municipality, or autonomous region of the People's
21 Republic of China, which acquires real property or an interest
22 in real property, by devise or descent on or after July 1,
23 2022, shall divest itself of all right, title, and interest in
24 the land within two years from the date of acquiring the land
25 or interest.

26 Sec. 3. Section 9I.6, Code 2022, is amended to read as
27 follows:

28 **9I.6 Change of status — divestment.**

29 1. A person or business which purchases or otherwise
30 acquires agricultural land in this state except by devise or
31 descent, after January 1, 1980, and whose status changes so
32 that it becomes a foreign business or nonresident alien subject
33 to **this chapter**, shall divest itself of all right, title and
34 interest in the land within two years from the date that its
35 status changed.

1 2. A person or business which purchases or otherwise
2 acquires real property in this state except by devise or
3 descent, on or after July 1, 2022, and whose status changes so
4 that the person or business is affiliated in any way with the
5 government of the People's Republic of China, or the government
6 of a province, region, municipality, or autonomous region of
7 the People's Republic of China, shall divest itself of all
8 right, title, and interest in the land within two years from
9 the date that the status of the person or the business changed.

10 3. A person or business which purchases or otherwise
11 acquires real property in this state except by devise or
12 descent, on or after July 1, 2022, and whose status changes so
13 that the person or business is affiliated in any way with a
14 corporation incorporated under the laws of the government of
15 the People's Republic of China, or a business entity whether
16 or not incorporated, in which a majority interest is owned
17 directly or indirectly by nonresident aliens from the People's
18 Republic of China, or from a province, region, municipality,
19 or autonomous region of the People's Republic of China shall
20 divest itself of all right, title, and interest in the land
21 within two years from the date that the status of the person or
22 the business changed.

23 Sec. 4. Section 9I.10, Code 2022, is amended to read as
24 follows:

25 **9I.10 Enforcement.**

26 1. a. If the secretary of state finds that a nonresident
27 alien, foreign business, foreign government, or an agent,
28 trustee, or other fiduciary thereof, has acquired or holds
29 title to or interest in agricultural land in this state in
30 violation of this chapter or has failed to timely register as
31 required under section 9I.7 or has failed to timely report as
32 required under section 9I.8, the secretary shall report the
33 violation to the attorney general.

34 b. If a county recorder finds that the government of the
35 People's Republic of China, or the government of a province,

1 region, municipality, or autonomous region of the People's
 2 Republic of China, has acquired or holds title to or interest
 3 in real property located in this state in violation of this
 4 chapter, the county recorder shall report the violation to the
 5 attorney general.

6 c. If a county recorder finds that a corporation
 7 incorporated under the laws of the government of the People's
 8 Republic of China, or a business entity whether or not
 9 incorporated, in which a majority interest is owned directly or
 10 indirectly by nonresident aliens from the People's Republic of
 11 China or a province, region, municipality, or autonomous region
 12 of the People's Republic of China, has acquired or holds title
 13 to or interest in real property in this state in violation of
 14 this chapter, the county recorder shall report the violation
 15 to the attorney general.

16 2. a. Upon receipt of the a report from the secretary of
 17 state or a county recorder under subsection 1, the attorney
 18 general shall initiate an action in the district court of any
 19 county in which the land is located.

20 3. b. The attorney general shall file a notice of the
 21 pendency of the action with the recorder of deeds of each
 22 county in which any of the land is located. If the court
 23 finds that the land in question has been acquired or held in
 24 violation of this chapter or the required registration has not
 25 been timely filed, it shall enter an order so declaring and
 26 shall file a copy of the order with the recorder of deeds of
 27 each county in which any portion of the land is located.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
 30 the explanation's substance by the members of the general assembly.

31 This bill prohibits the government of the People's Republic
 32 of China (China), or the government of a province, region,
 33 municipality, or autonomous region of China (related regions)
 34 from acquiring real property located in this state by grant,
 35 purchase, devise, or descent.

1 The bill also prohibits a corporation incorporated under
2 the laws of the government of China, or a business entity
3 whether or not incorporated, in which a majority interest is
4 owned directly or indirectly by nonresident aliens from China
5 or related regions, from acquiring real property in this state
6 by grant, purchase, devise, or descent. The bill provides
7 that legal entities, including but not limited to trusts,
8 holding companies, multiple corporations, and other business
9 arrangements, do not affect the determination of ownership or
10 control of the foreign business.

11 The bill requires a county recorder to report a violation
12 of the bill to the attorney general. Upon receipt of a report
13 from a county recorder, the attorney general shall initiate an
14 action in the district court of any county in which the land is
15 located. If the court finds that the land in question has been
16 acquired in violation of the bill, the court shall declare the
17 land escheated to the state pursuant to Code section 9I.11.

18 The bill makes conforming changes to Code section 9I.5 (land
19 acquired by devise or descent) and Code section 9I.6 (change of
20 status — divestment).